

Q1 2021 Report of the Management Board of ERBUD S.A.

1. Description of organisational structure of ERBUD GROUP and changes in the Group structure

1.1. Parent Company

The Parent Company of Erbud Group is **ERBUD S.A.** "Parent Company"

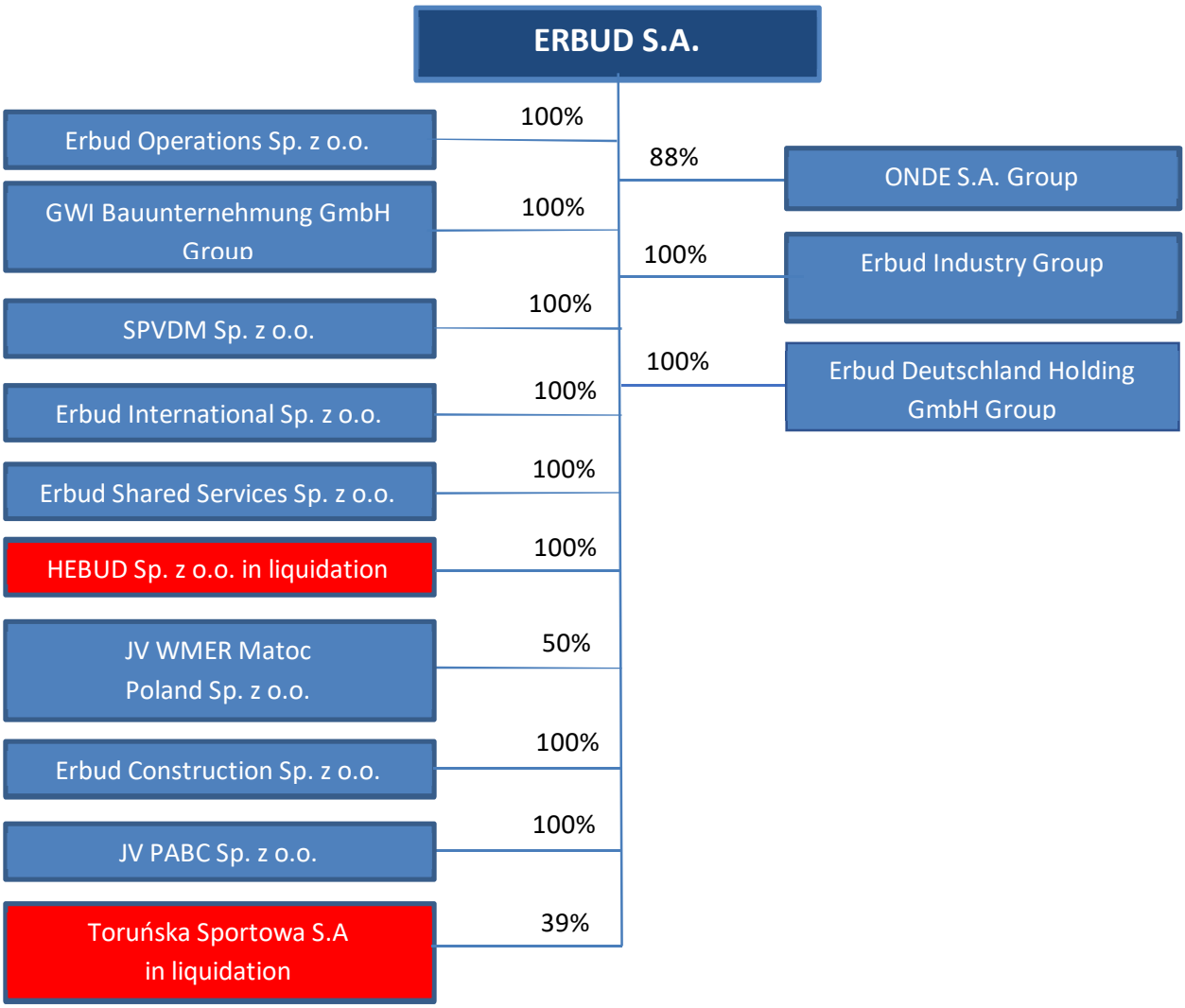
The Group provides a wide range of construction and assembly services under the general contracting and subcontracting systems in Poland and abroad, services for the industry in Poland and abroad, as well as road and engineering construction.

ERBUD S.A. acts as the parent company in the Group.

The Group comprises the Parent Company Erbud S.A. with its registered office in Warsaw and the following fully consolidated subsidiaries, with the exception of: Erbud Construction Sp. z o.o. and Toruńska Sportowa S.A. in liquidation, which is not consolidated due to insignificant impact on the consolidated financial statements.

1.2. Entities covered by consolidation

As of **31 March 2021** and as of the date of publication of the financial statements for Q1 2021, the structure of the ERBUD GROUP is as follows:



On **11 March 2021** an application was filed with the National Court Register for registration of a new subsidiary company under the name of SPVDM Sp. z o.o. with its registered office in Ostaszewo, at Ostaszewo 57, 87-148 Łysomice (SPVDM is a subsidiary in 100% controlled by ERBUD S.A.). The company was established to implement the Group's strategy for the fabrication of modular buildings. The Memorandum of the Company was drawn up on 5 March 2021. On **23 March 2021** the District Court in Toruń registered the Company under the name SPDVM Sp. z o.o. with its registered office in Ostaszewo, the Toruń Municipality, Reg. No. KRS 0000890465. The President of the Management Board of the Company is Mr Theodor Kaczmarczyk.

On **1 April 2021** Erbud Industry Centrum Sp. z o.o. (EIC) acquired 100% shareholding in Satchwell Polska Toruń Sp. z o.o.

Satchwell specializes in the execution and maintenance of building and industrial automation systems and will complement the range of services provided by Erbud Industry Centrum Sp. z o.o. (EIC).

The Company has its registered office in Toruń at ul. Olsztyńska 93-95 and currently its headcount is approximately 30 workers.

The value of transaction totalled PLN 4,95 million.

The transaction classification is tentative and will be subject to further analysis for recognition of this transaction in Q2 2021. As of the date of the historical financial information, final settlement of the transaction is pending. The Company has made a preliminarily assessment that the excess of the price paid over the fair value of assets less the value of liabilities will be allocated as goodwill, which will be immaterial in quantitative terms from the perspective of the ERBUD Group's consolidated statements.

On **19 February 2021** the Extraordinary General Meeting of Shareholders of ONDE S.A. adopted a resolution on increasing the share capital of the Company by way of issuing ordinary bearer D-series shares, divesting the existing shareholders of all pre-emptive rights to all D-series shares, amendment of the Company's Articles of Association and appointing a proxy of the Company to represent the Company in connection with conclusion of agreements with members of the Management Board for taking up D-series shares. As part of the new issue, 1,105,000 shares were issued, which were taken up by ONDE S.A. personnel and three members of the Management Board of ERBUD S.A. The par value per share was PLN 0.02 and the issue price at which the shares were taken up was PLN 0.35. As a result of the issue of series D-shares, the shares held by ERBUD S.A. were diluted from 90% to 88%.

D-series shares are subject to a 12-month lock up counting from the date of the first listing of ONDE S.A. shares on the Warsaw Stock Exchange (WSE).

On **19 April 2021** ONDE acquired 100% of shares in the company IDE PROJEKT Sp. z o.o. based in Toruń for PLN 500 thousand from a non-related entity. Transaction costs related to this transaction were immaterial. The assets of the acquired company consist mainly of cash and receivables from non-related entities in the total amount of PLN 863 thousand. The company's liabilities include mainly amounts due to other entities in the amount of PLN 370 thousand. The transaction was initially classified as a business acquisition due to the fact that, in accordance with IFRS 3 Business Combinations, inputs, processes and outputs are identifiable in IDE Projekt Sp. z o.o. The purpose of the acquisition of the photovoltaic farm development company is to expand the scope of ONDE's supply chain with its subsidiaries in the area of photovoltaic farm development.

The transaction classification is tentative and will be subject to further analysis for recognition of this transaction in Q2 2021. As of the date of the historical financial information, final settlement of the transaction is pending. The Company has made a preliminarily assessment that the excess of the price paid over the fair value of assets less the value of liabilities will be allocated as goodwill, which will be immaterial in quantitative terms from the perspective of the ERBUD Group's consolidated statements.

Except for those described above, there have been no organizational changes in the Group since 8 April 2021, the date of publication of the 2020 Consolidated and Separate Financial Statements.

2. The position of the Management Board of Erbud S.A. on the implementation of forecasts published in the prospectus in the light of the performance presented in this Report.

The Management Board of Erbud S.A. has not provided any forecast, nor estimates for 2021.

3. Shareholders of Parent Company

According to the information held by ERBUD S.A., from 8 April 2021, i.e. from the publication date of the 2020 Consolidated Financial statements of the ERBUD GROUP and the 2020 Separate Financial Statements of ERBUD S.A. to the publication date of this Report, no changes in the Issuer's shareholding structure took place.

As of the publication date of the Financial Statements, i.e. 13 May 20210 and as of 31 March 2010 the list of shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the General Meeting of Shareholders of ERBUD S.A. was as follows:

Name of shareholder	As of 13 May 2021		As of 31 Mar. 2021		As of 8 April 2021	
	Number of shares and votes at AGM	Share in equity and in the total number of votes at AGM	Number of shares and votes at AGM	Share in equity and in the total number of votes at AGM	Number of shares and votes at AGM	Share in equity and in the total number of votes at AGM
Wolff & Müller Baubeteiligungen GmbH & Co. KG including Wolff & Müller Holding GmbH & Co. KG	4,012,025	32.36%	4,012,025	32.36%	4,012,025	32.36%
DGI Closed-End Investment Fund of Non-public Assets controlled by Dariusz Grzeszczak	2,063,812	16.64%	2,063,812	16.64%	2,063,812	16.64%
Nationale Nederlanden PTE S.A.	1,200,000	9.68%	1,200,000	9.68%	1,200,000	9.68%
Aviva OFE Aviva BZ WBK	1,183,146	9.54%	1,183,146	9.54%	1,183,146	9.54%
Dariusz Grzeszczak	747,654	6.03%	747,654	6.03%	747,654	6.03%
Adler Properties Sp. z o. o. controlled by Józef Zubelewicz	398,111	3.21%	398,111	3.21%	398,111	3.21%
PKO BP OFE	715,279	5.77%	715,279	5.77%	715,279	5.77%
Józef Adam Zubelewicz	250,699	2.02%	250,699	2.02%	250,699	2.02%
ERBUD S.A. - own shares without voting rights at General	0	0%[x]	0	0%[x]	0	0%[x]
Free Float	1,828,633	14.75%	1,828,633	14.75%	1,828,633	14.75%
Total:	**12,399,359**	**100.00%**	**12,399,359**	**100.00%**	**12,399,359**	**100.00%**

3.1. Information about dividend

In order to provide shareholders with the opportunity to carry out a long-term investment program based on clear and stable criteria for the distribution of earnings generated, on 26 January 2016, the Management Board passed a resolution on the adoption of the ERBUD S.A dividend policy. Pursuant to the adopted resolution, the Management Board will recommend to the General Meeting of Shareholders, after the evaluation of the motion by the Supervisory Board, concerning dividend payment accounting from 30 to 50 per cent of net consolidated financial income generated in the previous financial year, taking into account the current and future financial standing of the company and the Capital Group. In the recommendation, the Management Board shall, in particular, take into account investment needs arising from the implementation of the ERBUD Group's strategy, the Company's liquidity needs, current and deferred liabilities. In case the above factors have been exceptionally well rated and the Supervisory Board has given a positive opinion, the Management Board may recommend the distribution of a higher dividend.

On **11 March 2019,** the Management Board of ERBUD S.A. adopted a new dividend policy resolution. Thus, the previous resolution dated 26 January 2016 is no longer effective.

The principles of the new dividend policy read as follows:

Preamble

Dividend policy is an element of strategic management of each company development while maintaining the balance between the amount of dividend paid and opportunities of effective investment of generated funds.

The objective of this policy is to enable the shareholders of Erbud S.A. ("Company") make an assessment as to the implementation of a long-term investment program based on clear and stable criteria for the distribution of generated profit.

Dividend payment policy

1. Adoption of dividend payment policy by Erbud S.A.

1.1. The Management Board will intend to recommend to the General Meeting of Shareholders, after the evaluation of the motion by the Supervisory Board, dividend payment accounting for from 30 to 70 per cent of net consolidated net profit generated in the previous financial year, taking into account the current and future financial standing of the Company and the Capital Group ("Erbud Capital Group").

1.2. In its recommendation for the General Meeting of Shareholders, the Management Board will each time take into account the following key factors:

- investment requirements related to the implementation of the ERBUD Group strategy,
- the acquisition policy pursued by the Company and available financing in relation to that policy,
- liquidity needs of the Erbud Capital Group depending on current and expected market and regulatory environment,
- the amount of liabilities due to current operations and debt servicing,
- liabilities under concluded agreements on financing the operations of the Company and the Erbud Capital Group, including in particular loan agreements,
- proceeds from dividends received by the Company from its subsidiaries,
- optimization of the financing structure of the Erbud Capital Group's operations.

1.3. If the above factors have been assessed exceptionally and the Management Board's proposal regarding profit distribution has been viewed positively by the Supervisory Board, the Management Board may recommend a payment of dividend higher than that referred to in item 1.1.

1.4. In subsidiaries in which the Company holds more than 70% of the shares aims to pay dividends in the amount of 100% of the net profit, if this is possible due to the legal regulations in force in a given territory and justified from the perspective of, among others:

- tax regulations prevailing in a certain territory,
- financial standing of subsidiaries, and
- prospects for their future activities.

1.5. The decision on profit distribution, including payment and amount of dividend, pursuant to the Article 395 of the Code of Commercial Companies, is taken by the Ordinary General Meeting of Shareholders in each financial year.

2. Persons entitled to dividend payment and determination of dividend record day and payment date

2.1. The Company's shareholders are entitled to a share in the profit shown in the annual audited Separate Financial Statements, appropriated by virtue of a resolution of the General Meeting of Shareholders for payment to the Company's shareholders (dividend right).

2.2. The body authorized to decide on the distribution of the Company's profit and payment of dividends is the Ordinary General Meeting of Shareholders. The Ordinary General Meeting of Shareholders, which should be held within six months after the end of each financial year, shall pass a resolution on whether and what part of the Company's profit shown in the audited financial statements should be allocated to the dividend payment.

2.3. The Company's General Meeting of Shareholders shall determine the dividend record date and the dividend payment date.

2.4. The dividend day may be set at a date falling not earlier than five days and not later than three months from the date of profit distribution resolution.

2.5. The date of dividend payment by ERBUD SA is set for 31 August.

2.6. When taking a decision on the dividend record date and the dividend payment date, the Best Practices of WSE Listed Companies 2016 should be taken into account, i.e. these days should be set so that the period falling between them is no longer than 15 business days. Establishing a longer period between these deadlines requires justification.

2.7. A resolution of the General Meeting of Shareholders to pay a conditional dividend may contain only conditions that could be fulfilled before the dividend record date.

3. Determination of the method of announcing information on the dividend adoption and its terms of payment

3.1. Information on the General Meeting of Shareholder's intention to adopt a resolution on the dividend payment and the proposed wording of such resolution shall be conveyed by virtues of a current report via the Electronic System for Information Transmission (ESPI) and via the Company's website, at least 26 days prior to the date of the General Meeting of Shareholders, whose agenda includes adoption of such resolution.

3.2. In an analogous form, the Company shall provide information about dividend amount, the value of the dividend per share, the number of shares covered by the dividend, the dividend record date and the dividend payment date, immediately after the event.

4. An option of making payments of an advance on dividend

The Management Board may pay shareholders an advance on the expected dividend at the end of the accounting year, if the Company has sufficient funds to pay out and this option is provided for in the Articles of Association. The Erbud S.A.'s Management Board is authorized, pursuant to § 18, par. 4 of the of the Company's Statute and subject to Supervisory Board's consent, to pay a dividend advance. The company may pay an advance if its approved financial statements for the previous accounting year show profit. The advance may account maximum for half of the profit generated since the end of the previous accounting year, shown in the financial statements, audited by the statutory auditor,

increased by reserve funds established out of profit, which the Management Board may use to pay advances, less uncovered losses and own shares.

5. Existing dividend preference

The Company does not have any preferred stock with respect to dividends.

	2013	2014	2015	2016	2017
Net profit of ERBUD S.A. ('000 PLN)	8,416	12,245	11,397	11,103	12,539
Dividend paid from profit generated in a given year ('000 PLN)	8,900	6,381	15,374	14,980**	14,093
Dividend per share in PLN	0.70	0.50	1.20	1.17	1.12
Record date	21 Jul. 2014	15 Jul. 2015	17 May 2016	9 Jan. 2017	5 Jun. 2018
Dividend rate* (in %)	2.8	1.5	4.2	3.9	6.5

** Dividend rate calculated as the quotient of dividend per share and share price two days prior to the record date.*

*** Extraordinary dividend from supplementary capital created from retained earnings*

On 16 April 2020 the Management Board of ERBUD S.A. because of the outbreak of COVID 19 coronavirus pandemic decided to suspend the dividend policy. As of the date of this report, the suspension of dividend policy has not been relieved.

4. Statement on Erbud S.A. shares or rights thereto (options) held by the persons managing and supervising Erbud S.A. as of the date of submission of the Report with a specification of ownership changes since the submission of the Report with the specification of the ownership status in Q1 2021.

As of 13 May 2021, management and supervisory officers held the following number of shares.

According to the information held by ERBUD S.A., from 8 April 2021, i.e. from the publication date of the 2020 Consolidated Financial statements of the ERBUD GROUP and the 2020 Separate Financial Statements of ERBUD S.A. to the publication date of this Report, no changes in the share ownership status of the management and supervisory officers took place.

	Type of relation	As of 13 May 2021		As of 8 Apr. 2021	
		No. of shares and votes at AGM	Share in equity and in the total number of votes at AGM	No. of shares and votes at AGM	Share in equity and in the total number of votes at AGM
DGI Closed-End Investment Fund of Non-public Assets controlled by Dariusz Grzeszczak	President of the Management Board	2,063,812	16.64%	2,063,812	16.64%
Dariusz Grzeszczak	President of the Management Board	747,654	6.03%	747,654	6.03%
Jacek Leczkowski	Vice-President of the Management Board	5,174	0.04%	5,174	0.04%
Agnieszka Głowacka	Vice-President of the Management Board	3,938	0.03%	3,938	0.03%
Albert Dürr	A Supervisory Board member	27,508	0.22%	27,508	0.22%

** Mr Albert Dürr holds 85% shareholding in Wolff & Müller Holding GmbH & Co. KG, which holds 100% of the shares of Wolff & Müller Baubeteiligungen GmbH & Co. KG.*

Mr Dariusz Grzeszczak holds 0.6% shareholding in ONDE S.A. (a former PBDI S.A.). (the Issuer's subsidiary).

Mr Jacek Leczkowski holds 10% shareholding in ONDE S.A. (a former PBDI S.A.) (the Issuer's subsidiary).

Ms Agnieszka Głowacka holds 0.3% shareholding in ONDE S.A. (a former PBDI S.A.). (the Issuer's subsidiary).

5. Information about lawsuits pending before a court, an authority competent for arbitration proceedings or a public administration body, including information about:

Both in cases where the Issuer is the plaintiff (cases related to receivables) and in cases where the Issuer is the defendant (cases related to payables) the position of the Issuer and its legal advisors prove that the proceedings will be solved in favour of the Issuer.

5.1. Proceedings to which ERBUD S.A. is a party as of the ERBUD S.A. Report Date, concerning payables or receivables of the Issuer or its subsidiary (including the case subject, the amount in dispute, the date of the proceeding initiation and the Issuer's perspective)

Material proceedings to which the Issuer is the plaintiff:

1.

Defendant: Bank Millennium S.A. in Warsaw

Date of filing a lawsuit: 22 December 2010

Value of the dispute: PLN 71,065,496

In 2008 Bank Millennium S.A. advised ERBUD S.A. to conclude FX option transactions to hedge against FX risk under the contracts denominated in EUR executed by the Issuer. The Bank's proposal was driven by a need of the Issuer to obtain security adequate to its situation. According to the Company, the product was not optimally adjusted to the ERBUD S.A. needs. In Q4 2008, as a result of a drastic revaluation of Polish zloty (PLN) in the PLN/EUR pair, Bank Millennium S.A. informed the Issuer about a negative valuation of the exposure held at that time.

At the same time, a dispute arose over the content of FX option transactions, mainly with respect to the exclusion of option structures. During numerous discussions, the Issuer presented its position to the Bank, in which it demanded that the transaction be carried out with the undertaking of actions aimed at enforcing of existing claims. In order to limit the amount of potential loss, the disputed transactions were restructured and the Bank was informed about legal actions taken in the future to remedy the loss resulting from FX option transactions. The restructuring details were presented by the Issuer in RP 43/2008 on 21 November 2008 and in the 2008 Financial Statements. The Issuer never agreed with the position of Bank Millennium S.A. and therefore called upon the Bank twice demanding the Bank to pay the amount of PLN 71,065,496, which consists of the amounts collected by the Bank from the Issuer's bank account, foregone profits and costs of legal and financial advisors. In connection with the above, the Issuer decided to bring an action for payment of compensation for the loss.

On 16 September 2016 the Management Board of ERBUD S.A. was informed by its legal counsels about the decision taken by the District Court in Warsaw. Pursuant to the decision, the Court dismissed the Issuer's claim in its entirety.

On 4 November 2016, the Issuer filed an appeal against the decision. The decision was appealed against in its entirety, and the appeal allegations focus in particular on incorrect findings and conclusions of the Court of First Instance regarding the incorrect determination by the Court of First Instance of the content of the disputed transactions, as well as incorrect interpretation of documents, including documents confirming transactions. In addition, a reference was made to numerous rulings of the District Court and the Court of Appeal in Warsaw, issued in similar cases when the Courts

issued rulings favourable to the customers of Bank Millennium under circumstances similar to those of the Issuer.

The above ruling does not have any influence on the financial position of the Issuer because the entire loss related to options was settled in the year of its occurrence, i.e. in 2008.

On 29 May 2018 the Court of Appeal in Warsaw announced the ruling in the case filed by ERBUD S.A. against Bank Millennium S.A., in which it upheld the appeal of the Company.

The Court of Appeal in Warsaw, in its decision of 29 May 2018, overruled the appealed decision of the District Court in Warsaw of 16 September 2016 and referred the case back to that court for re-examination together with the decision about the costs of the appeal proceedings.

On 13 July 2018 the Company was informed about a complaint filed by Bank Millennium S.A. with the Supreme Court against the ruling of the Court of Appeal in Warsaw of 29 May 2018 concerning the action brought by ERBUD S.A. against Bank Millennium S.A.

In its complaint Bank Millennium questions the advisability of repealing the ruling and referring the case back to the District Court in Warsaw for re-examination, indicating that the Court of Appeal should decide the case itself. on behalf of the Company its Legal advisors submitted a response to the complaint.

On 28 September 2018 the Supreme Court issued a decision about the case brought by the Issuer against Bank Millennium S.A., in which it accepted the complaint of Bank Millennium S.A. By virtue of its decision of 28 September 2018 the Supreme Court, overruled the appealed decision of the Court of Appeal in Warsaw of 29 May 2018 and referred the case to the Supreme Court for further consideration together with the decision on the costs of the appeal proceedings.

On 3 June 2020 Court of Appeal in Warsaw decided:

To admit ex officio evidence from a court expert's opinion in the field of finance, economics and banking to the circumstances:

- clarification of the substance and mechanism of the contracts concluded by the parties on 9 and 11 July 2008 and 14 August 2018 as regards the contract between the parties;
- whether the above-mentioned contracts were adjusted to the claimant's market position;
- what function they performed, and in particular whether they performed a function securing the claimant's interests;
- whether the type of the switch (bilateral or unilateral) was important for the performance of the function securing the claimant's interests;
- assessment of risk of both parties to the above mentioned contracts, determination whether there was an identical probability of profit and loss on both sides and determination of possible disproportion of positions of both parties to this end;
- whether by concluding the above-mentioned contracts the claimant was exposed to the exchange rate risk, whether the defendant was exposed to the exchange rate risk and whether the degree of such risk was determined, in particular whether the risk was unlimited for any of the parties;
- whether the conclusion of the aforementioned contracts was of speculative nature;
- determine whether the information provided to the claimant prior to the conclusion of the aforementioned contracts was complete, reliable and comprehensible, whether the content of the information provided represented a sufficient basis for risk analysis and making a fully judged decision regarding the conclusion of the aforementioned contracts.

Have the court expert draw up a written opinion in three copies within two months.

Further decisions shall be taken after the expert's opinion has been drawn up.

Until the date of publication of the financial statements, the status of the case has not changed.

2.

Date of filing a lawsuit: 14 February 2013

Value of the dispute: PLN 26,923,644.16

Current state of the affairs: On 27 May 2014 ERBUD S.A. extended the claim by the amount of PLN 22,925,604.52 claiming additionally the reimbursement of costs of substitute performance. In a letter dated 27 April 2014 and delivered on 1 July 2014, the defendant filed a counterclaim for the amount of PLN 5,651,633. On 6 November 2015, a hearing was held. The parties have agreed to request the cancellation of the hearing in order to continue the settlement proceedings. The settlement talks were fruitless. All witnesses requested by the Parties have been interviewed. Upon the unanimous request of the Parties, the Court set a 30-day time limit for the expert to specify the proof of evidence and to submit detailed questions to the opinion. On 17 August, CEMEX notified about its accession on ERBUD S.A. side as a secondary intervener. At the main hearing held on 12 December 2018, the court dismissed both oppositions. The court made a decision to have an expert draw up an opinion. The date of hearing is missing.

3.

Defendant: Platinum Resort Sp. z o.o.

Date of filing a lawsuit: 3 December 2018

Value of the dispute: PLN 16.301.236,97

Counterclaim

Defendant: ERBUD S.A.

Value of the dispute: 13,516,629.86

Date of filing a lawsuit: 27 April 2019

ERBUD filed a request with the District Court in Szczecin to secure a cash claim in the amount of PLN 5,455,851.09 in relation to the contractual penalty for withdrawal from the Construction Works Contract of 26 January 2017 for the execution of the project titled "Construction of a four-star hotel complex consisting of: Three hotel buildings with land development in Żeromskiego Street in the City of Świnoujście" by encumbering the properties belonging to Platinum Resort Sp. z o.o. with a joint compulsory mortgage. By virtue of its Decision of 19 November 2018

the Court granted security by entering the compulsory mortgage into the land and mortgage registers of the aforementioned real estate, as well as by the attachment of bank accounts of Platinum Resort Sp. z o.o.

On 3 December 2018 the Issuer filed a lawsuit for payment of PLN 16,301,236.97 together with interest in the writ of payment proceedings for remuneration and other claims related to the execution of the aforementioned investment together with an additional request for securing claims.

Platinum Resort Sp. z o.o. filed a complaint against the decision on security. The Issuer's attorneys replied to the complaint. To date, the Szczecin Court of Appeal has not heard the complaint.

The Szczecin District Court found that there were no grounds for issuing a payment order and referred the case to be examined in ordinary proceedings. The claim was forwarded for servicing to the

defendant. By virtue of decision of 22 February 2019 the District Court secured the claim of ERBUD S.A. for another amount of PLN 3.5 million by establishing a compulsory mortgage on the property.

The Court of Appeal validly dismissed the Defendant's complaint regarding the provision of security.

On 27 April the Defendant filed a response to the statement of claim together with the counterclaim in which he requests that ERBUD be awarded PLN 13,516,629.86, consisting of PLN 5,455,851.09 as an alleged contractual penalty calculated by the Defendant and PLN 8,060,778.77 as reimbursement of the allegedly overpaid remuneration collected by ERBUD for the performance of the construction contract.

ERBUD'S attorneys submitted a replica of the response to the statement of claim together with the response to the counterclaim, upholding the existing position and requesting that the counterclaim be dismissed in its entirety.

The court heard the oral evidence provided by the witnesses. Expert evidence concerning this case will be heard by the court .

Estimated date for completion of proceedings before the Court of First Instance: 2022

The value of other litigations where ERBUD S.A. is the Defendant totals PLN 29 218 515.74

Material proceedings to which the Issuer is the defendant

1.

Plaintiff: Mazowiecki Port Lotniczy Warszawa-Modlin Sp. z o.o. (*Warsaw Modlin Aiport*) ("MPL")

Defendant: ERBUD S.A. in Warsaw

Date of servicing an action to ERBUD S.A.: 23 May 2014

Value of the dispute: PLN 34 381 374.64

On 12 May 2014, a statement of claim was delivered to ERBUD S.A. in which the Warsaw Modlin Airport (MPL) requested payment of PLN 34,381,374.64 for damages along with statutory interest and litigation costs. The damages claimed by the Warsaw Modlin Airport (MPL) consists of losses and benefits incurred by the claimant and lost as a result of allegedly improper performance by ERBUD of the Contract of 14 September 2010 for the construction of the Warsaw-Modlin Airport No. PLM/K/96/2010 and suspension of air traffic on a part of the airport runway.

11 October 2014 ERBUD S.A. submitted a reply to the statement of claim in which it requested that the Warsaw Modlin Airport's (MPL) claim be dismissed in its entirety and that the costs of the proceedings be reimbursed. At the same time, irrespective of the claim lodged by the claimant, the Company instituted a counterclaim against Warsaw Modlin Airport (MPL), requesting that the amount of PLN 19,892,366.30 with statutory interest be awarded to the Company. The counterclaim consists of costs incurred by ERBUD S.A. for repairs of the airfield surface at the Warsaw-Modlin airport. The witnesses hearing was completed.

On 20 August 2019, the Court issued an order to entrust the Institute of Roads and Airports the performance of an construction opinion (reasons for defects in the surface and assessment of alternative repair options). The Institute confirmed it could prepare such opinion. Subsequently, the Court commissioned to the Institute the drawing up an opinion also on meteorological aspects. Upon the Institute's request, the Court extended the deadline for the opinion preparation until 10 May 2021.

At the same time, ERBUD S.A. supports the assessments presented in the earlier memoranda, according to which the risk of awarding a claim in favour of MPL is lower than the chance of claim dismissal. However, even if the Court found MPL's claim justified, the amount of awarded damages would be significantly lower than the amount claimed in the action brought by MPL, since ERBUD S.A. is able to question almost every element of the claim lodged by MPL.

Total value of other proceedings where ERBUD S.A. is the defendant: PLN 15,651,778.07

6. Information on the entering by the Issuer and its subsidiaries into one or more transactions with related parties, if they are individually or jointly significant, and if they are not arm's-length transactions

In H1 2021 and until the date of publication, neither the Issuer nor its subsidiaries entered into any transactions other than those related to the normal activities of the aforementioned entities. All transactions are concluded following arms' length principle.

7. Information about granting, by the issuer or its subsidiary, sureties for loans, credits or guarantees in Q1 2021, if the total value of existing sureties or guarantees is significant.

Sureties and loans granted by the Issuer are as follows:

7.1. Sureties

Surety extended by ERBUD S.A. – as of the publication date of the Financial Statements

Guarantor	Surety holder	Value ('000 PLN)	Subject	For whom	Surety expiry date	Type of surety and financial terms
ERBUD S.A.	GWI GmbH	9,321	Overdraft facility	Commerz-Bank	31 May 2021.	Guarantee extended by mBank S.A. on behalf of ERBUD S.A. The Guarantor charges the Company with fees charged by the Guarantor
ERBUD S.A.	GWI GmbH	5,369	overdraft facility – EUR 1 590	PKO BP S.A.	31 Dec. 2024.	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety per year
ERBUD S.A.	GWI GmbH	11,185	A line for financial guarantees in the amount of EUR 1 980	PKO BP S.A. (German Branch)	31 Dec. 2031.	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	GWI GmbH	4,660	insurance guarantee lines of EUR 1 million	Euler Hermes, Zürich, AXA, Bayerische Versicherungsverband, R+V ; Swiss RE	31 Dec. 2021	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	GWI GmbH	4,660	Overdraft facility of EUR 1 million	Deutche Bank AG	31 May 2022.	Guarantee extended by mBank S.A. on behalf of ERBUD S.A. The Guarantor charges the Company with fees charged by the Guarantor
ERBUD S.A.	ERBUD Industry Sp. z o.o.	20,000	multi-purpose credit line	BNP Paribas Bank Polska S.A.	24 Feb. 2033.	Civil surety, the Guarantor charges a surety fee of 1% of the value
ERBUD S.A.; IVT Menzenbach GmbH; IVT Weiner+Reiman GmbH – Joint and several surety	ERBUD Beteiligungs GmbH	16,670	Non-renewable loan for the acquisition of shares in IVT Weiner + Reimann GmbH (EUR 3,577 thousand)	HSBC	24 Mar. 2023	Civil surety, the Guarantor charges a surety fee of 1% of the value
ERBUD S.A.	ONDE S.A.	6,720	Investment loan	ING Bank Śląski S.A.	30 Nov. 2028	Civil surety, the Guarantor charges a surety fee of 1% of the value
ERBUD S.A.	ONDE S.A.	69,904	Building Contract performance bond	Sun Power Energy Sp. z o.o.	11 Mar. 2026	Civil surety, the Guarantor charges a surety fee of 1% of the value
ERBUD S.A.	ONDE S.A.	42,825	Surety extended to proper execution of investment contract	Baltic Green I Sp. z o.o	15 Mar. 2022	Civil surety, the Guarantor charges a surety fee of 1% of the value
ERBUD S.A.	GWI GmbH	42,409	Building Contract performance bond	Monheimer Einkaufszentrum GmbH	Until works acceptance	Civil surety, the Guarantor charges a surety fee of 1% of the value
Total:		**233,723**				

Surety extended by ERBUD S.A. – as of the publication date of the Q1 2020 Financial Statements

Guarantor	Surety holder	Value ('000 PLN)	Subject	For whom	Surety expiry date	Type of surety and financial terms
ERBUD S.A.	GWI GmbH (subsidiary)	9,105	Overdraft facility	Commerz-Bank	31 May 2020.	Guarantee extended by mBank S.A. on behalf of ERBUD S.A. The Guarantor charges the Company with fees charged by the Guarantor
ERBUD S.A.	GWI GmbH (subsidiary)	7,238	overdraft facility – EUR 1 590	PKO BP S.A.	31 Dec. 2023.	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety per year
ERBUD S.A.	GWI GmbH (subsidiary)	6,282	Line for financial guarantees of EUR 1 380	PKO BP S.A. (German Branch)	31 Dec. 2030.	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	GWI GmbH (subsidiary)	4,552	insurance guarantee lines of EUR 1 million	Euler Hermes, Zürich, AXA, Bayerische Versicherungsverband, R+V ; Swiss RE	31 Dec. 2020	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	GWI GmbH (subsidiary)	4,552	Overdraft facility of EUR 1 million	Deutche Bank AG	30 Apr. 2020	Guarantee extended by mBank S.A. on behalf of ERBUD S.A. The Guarantor charges the Company with fees charged by the Guarantor
ERBUD S.A.	ERBUD Industry Sp. z o.o. (subsidiary)	20,000	multi-purpose credit line	BNP Paribas Bank Polska S.A.	24 Feb. 2033	Civil surety, the Guarantor charges a surety fee of 1% of the value
ERBUD S.A.; IVT Menzenbach GmbH; IVT Weiner+Reiman GmbH – Joint and several surety	Erbud Beteiligungs GmbH	16,284	Non-renewable loan for the acquisition of shares in IVT Weiner+Reimann GmbH (EUR 3,577 thousand)	HSBC	24 Mar. 2023	Civil surety, the Guarantor charges a surety fee of 1% of the value
ERBUD S.A.	PBDI S.A.	6,720	Investment loan	ING Bank Śląski S.A.	30 Nov. 2028	Civil surety, the Guarantor charges a surety fee of 1% of the value
Total:		**74,733**				

Surety extended to ERBUD S.A. – as of the publication date of the Financial Statements

Guarantor	Surety holder	Value ('000 PLN)	Subject	For whom	Surety expiry date	Type of surety and financial terms
PBDI S.A. (subsidiary of ERBUD S.A.)	ERBUD S.A.	50,000	multi-purpose credit–guarantee line (LKW)	PKO BP S.A.	30 Sept. 2028	Civil surety, the Guarantor charges a surety fee of 1% of the value
Erbud International Sp. z o.o. (subsidiary of ERBUD S.A.)	ERBUD S.A.	50,000	multi-purpose credit–guarantee line (LKW)	PKO BP S.A.	30 Sept. 2028	Civil surety, the Guarantor charges a surety fee of 1% of the value

A list of sureties at Erbud Industry Group:

Guarantor	Surety holder	Value ('000 PLN)	Subject	For whom	Surety expiry date	Type of surety and financial terms
Erbud Industry Sp. z o.o.	Erbud Industry Pomorze (a subsidiary in 100% owned by Erbud Industry)	2,000	Overdraft facilities	BNP Paribas S.A.	16 Jan. 2028	Civil surety, the Guarantor charges a surety fee of 1% of the value

7.2. Loans

Loans granted by the Issuer and its related entities until the publication date of the report

Loans extended in the Issuer Group (as of Report Date i.e. 7 April 2020)

Lender	Borrower	Loan date	Value in '000 PLN	Value in EUR '000	Maturity date	Interest rate
Erbud S.A.	Erbud Holding Deutschland GmbH	15 May 2018	91	20	31 Dec. 2020	EURIBOR 3M+2.2%
Erbud S.A.	Erbud Beteiligungs GmbH	27 March 2018	27	6	31 Dec. 2020	EURIBOR 3M+2.2%
Erbud S.A.	JV WMER MATOC POLAND	9 May 2018	25		31 Dec. 2021	EURIBOR 3M+2.2%
Erbud Shared Services Sp. z o.o.	ERBUD S.A.	30 Jan. 2019	3,500		31 Jan. 2022.	WIBOR 3M+2.2%
Erbud S.A.	JV WMER MATOC POLAND	5 Jun. 2019.	30		31 Dec. 2021	WIBOR 3M+2.2%
Erbud Beteiligungs GmbH	Erbud Holding Deutschland GmbH	27 May 2019	91	20	31 Jan. 2021.	EURIBOR 3M+2.2%
Erbud S.A.	JV WMER MATOC POLAND	1 Oct. 2019	80		31 Jan. 2021.	WIBOR 3M+3.5%
Erbud S.A.	JV WMER MATOC POLAND	21 Oct. 2019	40		31 Jan. 2021	WIBOR 3M+3.5%
IVT Weiner + Reimann GmbH	Erbud Beteiligungs GmbH	25 Sept. 2019	932	200	30 Jun. 2021.	EURIBOR 3M+0.5%
IVT Weiner + Reimann GmbH	Erbud Beteiligungs GmbH	29 Oct. 2019.	1,398	300	30 Jun. 2021	EURIBOR 3M+0.5%
IVT Weiner + Reimann GmbH	Erbud Beteiligungs GmbH	27 Nov. 2019	1,398	300	30 Jun. 2021	EURIBOR 3M+0.5%
IVT Weiner + Reimann GmbH	Erbud Beteiligungs GmbH	12 Dec. 2019	932	200	30 Jun. 2021	EURIBOR 3M+0.5%
IVT Weiner + Reimann GmbH	Erbud Beteiligungs GmbH	9 Mar. 2021	699	150	30 Jun. 2021	EURIBOR 3M+2.2%
Erbud S.A.	JV WMER MATOC POLAND	14 November 2019	200		31 Jan. 2021	WIBOR 3M+3.5%
Erbud S.A.	JV WMER MATOC POLAND	28 Nov. 2019.	400		31 Jan. 2021	WIBOR 3M+3.5%
Erbud S.A.	JV WMER MATOC POLAND	13 Dec. 2019	400		31 Jan. 2021	WIBOR 3M+3.5%
GWI GmbH	Pflege Quatier Düeren GmbH	15 Jan. 2018.	6,373	1,400	31 Jan. 2022.	fixed interest rate 10%
GWI GmbH	Pflege Quatier Düeren GmbH	13 Apr. 2018	4,660	1,000	31 Jan. 2022.	fixed interest rate 10%
Erbud S.A.	Erbud International Sp. z o.o.	29 Jul. 2016	800		31 Dec. 201...	EURIBOR1M+1.5%
Erbud S.A.	Erbud International Sp. z o.o.	7 May 2017	1000		31 Dec. 201...	EURIBOR1M+1.5%
Erbud S.A.	Erbud International Sp. z o.o.	14 Sept. 2017	850		31 Dec. 201...	EURIBOR1M+1.5%
			40,064	**3,743**		

7.3. Liabilities under bank and insurance guarantees granted upon the Group's request

Liabilities under guarantees granted to third parties ('000 PLN)

Company	Liability payment guarantee	Performance bond	Retention bond	Total contingent liabilities
ERBUD S.A.				
31 Mar. 2021.	85,955	184,315	260,148	530,418
31 Dec. 2020	71,900	203,869	266734	542,503
31 Mar. 2020	56,768	222,395	223,216	502,379
ONDES.A.				
31 Mar. 2021.	5,898	143,354	25,833	175,086
31 Dec. 2020	5,848	107,820	24,994	138,662
31 Mar. 2020	6,398	60,028	19,011	85,737
GWI GmbH				
31 Mar. 2021.	7,662	17,245	42,537	67,444
31 Dec. 2020	7,588	15,813	45,930	69,331
31 Mar. 2020	9,266	12,265	47,295	68,826
Erbud International Sp. z o.o.				
31 Mar. 2021.	0	0	0	0
31 Dec. 2020	0	0	0	0
31 Mar. 2020	0	228	0	228
ERBUD Industry Sp. z o.o.				
31 Mar. 2021.	20,358	8,590	6,092	35,041
31 Dec. 2020	15,485	8,590	5,491	29,566
31 Mar. 2020	15,858	3,536	6,026	25,420
Erbud Industry Centrum Sp. z o.o.				
31 Mar. 2021.	1,438	6,894	1,390	9,722
31 Dec. 2020	850	8,032	855	9,737
31 Mar. 2020	0	5,801	1,392	7,193
ERBUD Industry Południe Sp. z o.o.				
31 Mar. 2021.	387	1,767	2,741	4,895
31 Dec. 2020	274	3,377	1,831	5,482
31 Mar. 2020	311	3,135	1,714	5,160
ERBUD Industry Pomorze Sp. z o.o.				
31 Mar, 2020				
31 Dec. 2020	0	1,182	778	2,060
31 Mar, 2020	0	2,512	1,965	4,477
ERBUD Operations Sp. z o.o.				
31 Mar. 2021.	2,617	10,648	4,330	17,595

31 Dec. 2020	2,518	11,126	3,863	17,507
31 Mar. 2020	290	8,317	3,768	12,375
IVT Weiner + Reimann GmbH				
31 Mar. 2021.	2,594	70	0	2,664
31 Dec. 2020	2,614	69	0	2,683
31 Mar. 2020	2,100	68	0	2,168
IVT Menzenbach GmbH				
31 Mar. 2021.	750	0	0	750
31 Dec. 2020	725	0	0	725
31 Mar. 2020	0	0	0	0
31 Mar. 2021.	**Total**			**827,304**
31 Dec. 2020	**Total**			**818,256**
31 Mar. 2020	**Total**			**713,963**

Contingent liabilities under lawsuits against companies from the ERBUD GROUP

Item	31 Mar. 2021 (value in PLN M)	31 Dec. 2020 (value in PLN M)	31 Mar. 2020 (value in PLN M)
Contingent liabilities under lawsuits brought against ERBUD S.A.	46.68	46.68	46.68

Based on legal opinions and knowledge of cases, the Management Board of ERBUD S.A. determines the probability of the Company winning cases related to contingent liabilities. Among contingent liabilities, the highest amount concerns the dispute with MPL Modlin Sp. z o.o. – PLN 34.68 million.

As of 31 March 2021, the Group had the following contingent receivables under guarantees where the ERBUD Group companies are beneficiaries.

Contingent receivables under guarantees held

Item	As of 31 Mar. 2021 in '000 PLN	As of 31 Dec. 2020 in '000 PLN	As of 31 Mar. 2020 in '000 PLN	Company
Performance bond, retention bond, payment guarantees	73,945	86,477	73,798	ERBUD S.A.
Performance bond, retention bond	35,794	29,978	13,254	ONDES.A.
Performance bond, retention bond	0	0	0	Erbud International Sp. z o.o.
Performance bond, retention bond	23,975	23,741	22,277	GWI GmbH
Performance bond, retention bond	38	0	0	Erbud Industry Centrum Sp. z o.o.
Performance bond, retention bond	15,767	16,387	14,452	ERBUD Industry Sp. z o.o.
Performance bond, retention bond	0	38	41	ERBUD Industry Pomorze Sp. z o.o.
Performance bond, retention bond	629	820	503	ERBUD Industry Południe Sp. z o.o.
Performance bond, retention bond	24,813	2,396	1,343	ERBUD Operations Sp. z o.o.
Performance bond, retention bond	47	46	46	IVT Weiner + Reimann GmbH
Performance bond, retention bond	0	0	0	IVT Menzenbach GmbH
Total:	**175,008**	**159,883**	**125,714**	

8. Major events in Q1 2021 and significant events beyond 31 Mar. 2021 - description of significant achievements or failures of the issuer in the period covered by the report together with a list of the most important events concerning the Issuer; indication of factors and events, including atypical ones, having a significant impact on the abbreviated financial statements).

8.1. Risks related to COVID-19 virus

The occurrence of uncertain and unpredictable circumstances, including the outbreak of SARS-CoV-2 pandemic with associated consequences of declaring an epidemic emergency status, may in short- and long-term have a negative impact on the ERBUD Group's business, development prospects and financial standing. The important areas, which the Company monitors on an on-going basis and which may pose the greatest risk to the future performance of the ERBUD Group are as follows: (i) temporary absence of construction staff, which may contribute to the delay of construction processes, (ii) delays in the supply of construction materials and services, (iii) slowdown in the activities of public administration bodies, including in particular administrative decision-making process, (iv) contracting authorities' decisions to suspend work on individual construction contracts, (v) contracting authorities' decisions not to implement planned construction projects, e.g. due to difficulties in raising financing.

Since the outbreak of the pandemic, the Group's Management Board has kept the Issuer informed of all events related to the pandemic that could affect the Issuer's financial position.

In the opinion of the Management Board of the ERBUD Group, as of the date of publication of the financial statements, drawn up for Q1 2021, the liquidity positions of the Group and the Company remain stable.

The Issuer has entered into an employee vaccination program.

8.2. Organization of a new business segment - fabrication of modular houses.

On 19 February 2021, the Issuer's Management Board disclosed in the Current Report No. 10/2021 the idea of expanding the ERBUD Group's Strategy.

The amended Strategy assumes that the scope of the Company's activity will be extended by a new business segment related to fabrication, sale and assembly of modular houses. The amended Strategy assumes that modules will be manufactured in Poland and sold and assembled mainly on the European market through the Company's subsidiary - GWI Bauunternehmung GmbH with its registered office in Düsseldorf. The expansion of the scope of the Company's activities under the amended Strategy will require investments including in particular the purchase of manufacturing lines, purchase of real estate where manufacturing activities for the new segment will be carried out, and enhancement of the headcount. The Company assumes that total expenditures related to the launch of the new business segment will amount to approximately PLN 80-100 million over the next 3 years.

Accordingly, on **5 March 2021**, the Memorandum of a new company under the name **SPVDM Sp. z o.o.** was developed. On 11 March 2021 an application was filed with the National Court Register for registration of a new subsidiary company under the name of SPVDM Sp. z o.o. with its registered office in Ostaszewo, at the address Ostaszewo 57, 87-148 Łysomice. (SPVDM is a subsidiary in 100% controlled by ERBUD S.A.). On **23 March 2021** the District Court in Toruń registered the Company under the name SPDVM Sp. z o.o. with its registered office in Ostaszewo, the Toruń Municipality. Reg. No. KRS 0000890465 The President of the Management Board of the Company is Mr Theodor Kaczmarczyk.

On 30 April 2021 ERBUD S.A. became the owner of property located in Ostaszewo in the Pomeranian Special Economic Zone:

(i) comprising an industrial site with an area of 5.2018 ha with a manufacturing and storage facilities
(ii) and arable land with an area of 9.9643 ha.

The value of the property amounts to PLN 39 million plus applicable VAT tax.

The net price was paid in 20% from own funds and in 80% from a non-revolving loan contracted by the Issuer with BNP Paribas Bank Polska S.A.

The purchase of the real property represented the first capital expenditure related to the development of the new business segment.

In compliance with the amended Strategy, the Issuer carried out a number of analyses and preparatory works to assess an opportunities to obtain and determine the conditions of financing the implementation of the amended Strategy by conducting the initial public offering of shares in ONDE S.A. ("ONDE"), a subsidiary of the Company, to obtain an investor for ONDE or a debt financing transaction, assuming that the Company maintains control over ONDE for the purpose of consolidating PBDI's results within the results of the Company's group and excluding a scenario involving the issuance of new shares of the Company.

On **26 March 2021**, the Issuing Prospectus of ONDE was submitted to the Polish Financial Supervision Authority (PFSA).

8.3.

On **19 February 2021** the Extraordinary General Meeting of Shareholders of ONDE S.A. adopted a resolution on increasing the share capital of the Company by way of issuing ordinary bearer D-series shares, divesting the existing shareholders of all pre-emptive rights to all D-series shares, amendment of the Company's Articles of Association and appointing a proxy of the Company to represent the Company in connection with conclusion of agreements with members of the Management Board for taking up D-series shares. As part of the new issue, 1,105,000 shares were issued, which were taken up by ONDE S.A. personnel and three members of the Management Board of ERBUD S.A.

Given the above, as of 31 March 2021, the Company's Management Board valued the program under IFRS 2 at PLN 1.6 million, based on the value of ONDE S.A.'s equity. As of 31 March 2021 and the publication date, ONDE S.A.'s Management Board did not have another meaningful measure of fair value to estimate the program. In the event of an IPO, the ONDE's Management Board will be able to value the program based on the company's market value, which will have an impact on future performance.

9. Other information key to the assessment of the personnel, economic and financial standing, financial result and any changes, necessary to assess the Issuer's capacity to meet its obligations.

As the end of March 2021, the ERBUD Group's total debt related to loans, borrowings and bonds and financial leases totalled PLN 123,175 thousand, including PLN 86,161 thousand of short-term debt.

Debt under IFRS 16 represents PLN 16,915 thousand.

The potential indebtedness of the ERBUD Group under the loan agreements and multi-purpose bank and insurance guarantee facilities existing as at the date of publication is PLN 1,355,892 thousand.

The Group's loans and borrowings from banks are secured with:

- contractual and capped mortgages on the Group's assets,
- assignments of rights under building contracts,
- clauses with entitlement to deduct receivables from bank accounts
- blank promissory notes,

- transfer of ownership title to cash deposits representing the contractual percentage of secured receivables.

9.1. Specification of signed loan agreements and agreements concerning multi-purpose guarantee lines.

Loan agreements signed by ERBUD Group member companies (as of the Report Date)

Bank	Type of liability	Amount ('000 PLN)	Currency	Interest terms	Repayment date	Payment of instalments	Borrower
BNP Paribas Bank Polska S.A.	Overdraft facility	8,000	PLN	WIBOR 3M + 1.5%	30 Apr. 2022	one-off	ERBUD S.A.; ONDE S.A. - 5,000
mBank S.A.	Overdraft facility	15,000	PLN	WIBOR 1M + 1.6%	4 Feb. 2022	one-off	ERBUD S.A.; ONDE S.A. – 10,000
PKO Bank Polski S.A.	Overdraft facility	20,000	PLN	WIBOR 3M 2.28%	30 Jun. 2021	one-off	ERBUD S.A.
Alior Bank S.A. Group	Overdraft facility	10,000	PLN	WIBOR 3M+1.6%	30 Sept. 2021	one-off	ERBUD S.A.
ING Bank Śląski S.A.	Overdraft facility	59,000	PLN	WIBOR 1M +1.65%	31 Jan. 2022.	one-off	ERBUD S.A.; ONDE S.A – 5 000.; ERBUD Industry Centrum – 4 000
Santander Bank Polska S.A.	Overdraft facility	5,000	PLN	WIBOR 1M +2.0%	31 Oct. 2021	one-off	ERBUD S.A.
BNP Paribas Bank Polska S.A.	Non-revolving loan for real property acquisition	31,200	PLN	WIBOR 3M + 1.35%	27 Apr. 2028	On instalment basis	ERBUD S.A.
BNP Paribas Bank Polska S.A.	Overdraft facility	5,000	PLN	WIBOR 1M + 1.5%	30 Apr. 2022	one-off	ERBUD Industry Sp. z o.o.
BNP Paribas Bank Polska S.A.	project finance facility	15,000	PLN	WIBOR 1M + 1.5%	30 Apr. 2022	one-off	ERBUD Industry Sp. z o.o.
Credit Agricole Bank Polska S.A.	working capital facility	5,000	PLN	WIBOR O/N+1,30%	30 Sept. 2021	one-off	ERBUD Industry Sp. z o.o.
Credit Agricole Bank Polska S.A.	working capital facility	4,000	PLN	WIBOR O/N+1,30%	30 Sept. 2021	one-off	Erbud Industry Centrum Sp. z o.o.
Credit Agricole Bank Polska S.A.	working capital facility	2,000	PLN	WIBOR O/N+1,30%	30 Sept. 2021	one-off	Erbud Industry Centrum Sp. z o.o.
Credit Agricole Bank Polska S.A.	working capital facility	6,000	PLN	WIBOR O/N+1,30%	30 Sept. 2021	one-off	ERBUD Industry Południe Sp. z o.o.
Credit Agricole Bank Polska S.A.	working capital facility	4,500	PLN	WIBOR O/N+1,3%	30 Sept. 2021	one-off	Erbud Industry Centrum Sp. z o.o.

BNP Paribas Bank Polska S.A.	Overdraft facility	2,000	PLN	WIBOR 1M + 1.7%	30 Apr. 2022	one-off	Erbud Industry Centrum Sp. z o.o.
mBank S.A.	Overdraft facility	3,000	PLN	WIBOR 1M + 1.45%	31 Jul. 2021	one-off	ERBUD Operations Sp. z o. o.
ING Bank Śląski S.A.	Investment loan	3,693	PLN	WIBOR 1M + 2.15%	30 Nov. 2025	On instalment basis	ONDE S.A.
Commerzbank AG	Overdraft facilities	2,000	EUR	EURIBOR 3M+ 0.25%	31 May 2021.	one-off	GWI GmbH
PKO BP S.A. German Branch	Overdraft facilities	960	EUR	EURIBOR 1M + 2.1%	30 Jun. 2021	one-off	GWI GmbH
Deutche Bank AG	Overdraft facilities	1,000	EUR	2.25%	30 Jun. 2022	one-off	GWI GmbH
HSBC France (Joint Stock Company) Branch in Poland	Non-revolving loan	1,750	EUR	EURIBOR 3M+ 2.2%	24 Feb. 2023	instalments	ERBUD Beteiligungs GmbH
Commerzbank	Overdraft facilities	1,500	EUR	EURIBOR + 1.5%-2.0%	Valid indefinitely	one-off	IVT Weiner + Reimann GmbH
National Bank AG	Overdraft facilities	1,000	EUR	EURIBOR + 1.5%-2.0%	Valid indefinitely	one-off	IVT Weiner + Reimann GmbH
Santander Bank AG	Overdraft facilities	1,000	EUR	EURIBOR + 1.5%-2.0%	Valid indefinitely	one-off	IVT Weiner + Reimann GmbH
National Bank AG	Investment loan	270	EUR	1.50%	31 May 2027	instalments	IVT Weiner + Reimann GmbH
National Bank AG	Investment loan	49	EUR	EURIBOR + 1.25%	30 Apr. 2022	instalments	IVT Weiner + Reimann GmbH
Ford Bank AG	Car loan	67	EUR	0.00%-3.92%	31 Jul. 2022	instalments	IVT Weiner + Reimann GmbH
Santander Bank AG	Car loan	536	EUR	0.00%-3.92%	31 Jul. 2022	instalments	IVT Weiner + Reimann GmbH
	Total:	198,393	PLN				
	Total:	10,132	EUR				

Bank guarantee limits made available to the Group - as of Report Date.

Guarantor	Type of liability	Limit amount '000	Currency	Obligor
Alior Bank S.A. Group	Bid bonds, performance bond, retention bond, advance payment, re-guarantees	90,000	PLN	ERBUD S.A.
Alior Bank S.A. Group	Bid bonds, performance bond, retention bond, advance payment, re-guarantees	2,000	EUR	ERBUD S.A.
BNP Paribas Bank Polska S.A.	Bid bonds, performance bond, retention bond, advance payment, re-guarantees	112,000	PLN	ERBUD S.A.; ONDE S.A. (35,000).
mBank S.A.	Bid bonds, performance bond, retention bond	95,000	PLN	ERBUD S.A. (ONDE S.A. – 15,000)
PKO Bank Polski S.A.	Bid bonds, performance bond, retention bond	30,000	PLN	ERBUD S.A.
Santander Bank Polska S.A.	Bid bonds, performance bond, retention bond	45,000	PLN	ERBUD S.A.
HSBC Bank Polska S.A.	Bid bonds, performance bond, retention bond	50,000	PLN	ERBUD S.A.
Credit Agricole Bank Polska S.A.	Bid bonds, performance bond, retention bond	35,000	PLN	ERBUD S.A. (30 000), ERBUD Industry Centrum Sp. z o.o. (12 500), ERBUD Industry Sp. z o.o. (10 000), ERBUD Industry Południe (9 000)
ING Bank Śląski S.A.	Bid bonds, performance bond, retention bond	110,000	PLN	ERBUD S.A. (110,000). ONDE S.A. (30 000) and ERBUD Industry Centrum Sp. z o.o. (6,000).
Santander Bank Polska S.A.	Bid bonds, performance bond, retention bond	20,000	PLN	ONDE S.A.
mBank S.A.	Bid bonds, performance bond, retention bond	3,000	PLN	ERBUD Operations Sp. z o.o.
PKO Bank Polski S.A.	Bid bonds, performance bond, retention bond	2 00	EUR	GWI GmbH
Total:		**590,000**	**PLN**	
Total:		**4,000**	**EUR**	

Insurance guarantee limits made available to the Group - as of Report Date.

Guarantor	Type of liability	Limit amount ('000 PLN)	Currency	Obligor
STU Ergo Hestia S.A.	Bid bonds, performance bond, retention bond, advance payment	230,000	PLN	ERBUD S.A. (including for ONDE S.A. 15 000; including Erbud Industry Sp. z o.o. – 20.000)
PZU S.A.	Bid bonds, performance bond, retention bond, advance payment	24,392	PLN	ERBUD S.A.
Allianz Polska S.A.	Bid bonds, performance bond, retention bond, advance payment	2,999	PLN	ERBUD S.A.
KUKE S.A.	Bid bonds, performance bond, retention bond, advance payment	50,000	PLN	ERBUD S.A.
Generali TU S.A.	Bid bonds, performance bond, retention bond, advance payment	15,553	PLN	ERBUD S.A.
Swiss RE	Bid bonds, performance bond, retention bond	3,500	EUR	ERBUD S.A.
Euler Hermes AG.	Bid bonds, performance bond, retention bond	910	EUR	GWI GmbH, ERBUD S.A. and ERBUD International Sp. z o.o
ZURICH	Bid bonds, performance bond, retention bond	474	EUR	GWI GmbH
R+V	Bid bonds, performance bond, retention bond	7,000	EUR	GWI GmbH
AXA	Bid bonds, performance bond, retention bond	1,000	EUR	GWI GmbH
Bayerischer Versicherungverband	Bid bonds, performance bond, retention bond	1,500	EUR	GWI GmbH
Swiss RE	Bid bonds, performance bond, retention bond	1,364	EUR	GWI GmbH
Credendo	Bid bonds, performance bond, retention bond	2,500	EUR	GWI GmbH
VHV Versicherungen	Bid bonds, performance bond, retention bond	500	EUR	GWI GmbH
Generali S.A.	Bid bonds, performance bond, retention bond	15,000	PLN	ONDE S.A.
AXA	Bid bonds, performance bond, retention bond	41,000	PLN	ONDE S.A.
InterRisk	Bid bonds, performance bond, retention bond	7,000	PLN	ONDE S.A.
KUKE S.A.	Bid bonds, performance bond, retention bond, advance payment	5,000	EUR	ONDE S.A.
KUKE S.A.	Bid bonds, performance bond, retention bond, advance payment	10,000	PLN	ONDE S.A.
Wiener DU S.A. VIG	Bid bonds, performance bond, retention bond, advance payment	3,000	PLN	ONDE S.A.
Uniqa TU	Bid bonds, performance bond, retention bond, advance payment	30,000	PLN	ONDE S.A.
STU Ergo Hestia S.A.	Bid bonds, performance bond, retention bond	3,000	PLN	ERBUD Industry Pomorze Sp. z o.o.
STU Ergo Hestia S.A.	Bid bonds, performance bond, retention bond	7,000	PLN	Erbud Industry Centrum Sp. z o.o.

STU Ergo Hestia S.A.	Bid bonds, performance bond, retention bond	500	PLN	ERBUD Industry Południe Sp. z o.o.
STU Ergo Hestia S.A.	Bid bonds, performance bond, retention bond	8,000	PLN	ERBUD Operations Sp. z o.o.
TU Gothaer.	Bid bonds, performance bond, retention bond	1,083	PLN	ERBUD Operations Sp. z o.o.
R+V	Bid bonds, performance bond, retention bond	3,000	EUR	IVT Weiner + Reimann GmbH
Total:		448,527	PLN	
Total:		26,748	EUR	

9.2. Material financial contracts

- **On 29 January 2021** Annex No. 2 was signed in the form of consolidated text of the Framework Agreement for Multi-Product Umbrella of 16 July 2020 and Annex No. 16 to the Framework Agreement of 2 February 2010 with mBank S.A. Pursuant to these Annexes, the Issuer and its subsidiary: ONDE S.A. may utilize a multi-purpose line (overdraft and bank guarantee line) in the amount of PLN 110 million.

  The Issuer and its subsidiary may use the lines within the sublimits specified for each and every entity: A limit for ERBUD S.A. totals PLN 110 million including an option of incurring a debt up to PLN 15 million; the sublimit for ONDE S.A. is PLN 10 million with an option of incurring debt up to PLN 5 million.

  The line's maturity date is 4 February 2022. Other conditions do not deviate from arm's length principle conditions.

- **On 27 April 2021**ERBUD S.A. signed a non-revolving credit agreement with BNP Paribas Bank Polska S.A. with its seat in Warsaw, designed for financing of purchase of Property intended for production start-up of modular houses in Łysomice. Loan amount is PLN 31 200 00.00. Term of loan 84 months, and grace period for loan principal repayment: until 31 March 2022. The interest rate is based on WIBOR 3M plus bank margin. The collateral is a contractual joint mortgage that will be established on the Property. *** The Company has also issued a blank promissory note together with a promissory note declaration and will assign its rights under the insurance of the Property. The Company has agreed under the Agreement to comply with certain financial covenants (ratios), and failure to do so will represent an event of default. Other terms of the loan agreement do not deviate from arm's length principle conditions.
- **On 30 April 2021** Amendment No. 22 to Multi-purpose credit line agreement No. WAR/4120/05/221/RB1 dated July 07, 2005 was signed. Under this Amendment, the Issuer and its subsidiary ONDE S.A. may utilize a multi-purpose line (overdraft and bank guarantee line) in the amount of PLN 120 million. The total limit of the multi-purpose credit line was raised by PLN 18 million compared to the conditions prevailing prior to the signing of the Amendment. Previously, the value of the line was PLN 102 million. The Issuer and its subsidiary may use the lines within the sublimits specified for each and every entity.

A limit for Erbud S.A. totals PLN 120 million including an option of incurring a debt up to PLN 3 million; the sublimit for ONDE S.A. is PLN 35 million with an option of incurring debt up to PLN 5 million.

9.3. Material information about subsidiaries.

9.3.1. Background information

None

9.3.2. Information about entering into transactions with related entities in the Issuer's Group.

Prior to 13 May 2021 the Issuer and its subsidiaries had not entered into any transactions with related parties under terms and conditions other than following the arm's length principle.

9.4. Factors that, in the Issuer's opinion, will affect the Capital Group's performance in the future, including at least the next quarter.

Apart from the business events described above, no other events occurred during the period that could affect the Group's future performance.

9.5. Issuer's Supervisory Board

9.5.1. Composition

In the period from 1 January 2021 to 31 March 2021 the Supervisory Board of ERBUD SA consisted of:

- Udo Berner – Chairman,
- Gabriel Główka – Deputy Chairman,
- Albert Dürr – a Supervisory Board Member,
- Michał Otto – a Supervisory Board Member,
- Janusz Reiter – a Supervisory Board Member,
- Piotr Kaczmarek – a Supervisory Board Member.

On 11 May 2021 the General Meeting of Shareholders of ERBUD S.A. appointed the Supervisory Board for a new three-year term of office with the following composition:

- Udo Berner – Chairman,
- Gabriel Główka – Deputy Chairman,
- Albert Dürr – a Supervisory Board Member,
- Michał Otto – a Supervisory Board Member,
- Janusz Reiter – a Supervisory Board Member,
- Michał Wosik – a Supervisory Board Member,

Two committees report to the Supervisory Board of ERBUD S.A.:

Audit Committee, which between 1 January 2021 to 31 March 2021 operated with the following composition:

- Michał Otto - Chairman (an independent Audit Committee member, has been sitting on Audit Committee since 28 April 2016)
- Gabriel Główka - an Audit Committee member (dependent Audit Committee member, has been sitting on the Audit Committee since 15 November 2006)
- Janusz Reiter - Audit Committee member (independent Audit Committee member, sitting on the Audit Committee since 18 May 2018)
- Piotr Kaczmarek - an Audit Committee member (an independent Audit Committee member, has been sitting on the Audit Committee since 3 December 2018)

In the above composition of Audit Committee of the Supervisory Board of ERBUD S.A. Messrs. Michał Otto, Janusz Reiter, Piotr Kaczmarek fulfilled the independence criterion in the understanding of Art. 129, par. 3 of the Act on Statutory Auditors.

In addition, Mr Gabriel Główka fulfils the requirements of the Act on Statutory Auditors concerning knowledge and skills in the field of accounting or auditing of financial statements. Gabriel Główka graduated from the Warsaw School of Economics, the Faculty of Production Economics, where he majored at the Construction and Investment Economics. His knowledge in this area is also confirmed by the granted academic degree of doctor habilitatus.

This is the highest academic degree awarded in the field of economic sciences in the following disciplines: economics, science of commodities, management and finance. The granting of the degree of doctor habilitatus in the field of finance confirms his knowledge in a wide area of finance, including the field of financial revision of enterprises and assessment of their financial condition, etc. Gabriel Główka's acquired competencies are testified by his experience gained, *inter alia*, at:

(i) the Loan Department, ING Bank Śląski, (ii) ING Bank Śląski, where he was the chairman of the Loan Committee of the Warsaw Region of ING Bank Śląski. The most important objective of the Loan Committee was to assess and verify the financial standing of enterprises to incur loan liabilities and make decisions on granting them revolving and investment loans, (iii) while serving as the President of the Management Board of Śląski Bank Hipoteczny - later ING Bank Hipoteczny (ING Mortgage Bank), where he managed the finances of this business entity - in the position of Chief Financial Officer (CFO), (iv) while in office in the National Qualification Commission for the Property Appraisal.

The conditions of the Act on Statutory Auditors concerning the knowledge and skills in the industry, in which the Issuer operates, are fulfilled by Mr Gabriel Główka, who graduated from the Warsaw School of Economics, Production Economics Faculty, majored at construction and investment economics. He has been a research worker and lecturer at the Warsaw School of Economics for over 30 years - currently he is the Director of the Institute of Corporate and Investment Financing. In the 2002-2004 period and again from 2009 he has been a member of the National Qualification Commission - Sub-Committee for Property Appraisal.

Consequently the Issuer meets the requirements set forth in Art. 129, paragraphs 1, 3 and 5 of the Act on Statutory Auditors.

The Committee's responsibilities were also performed through submission recommendations, conclusions, opinions and reports to the Supervisory Board, as well as on-going exchange of opinions. If necessary, the Audit Committee updated the agenda with Any Other Business (AOB).

On 11 May the Supervisory Board of ERBUD S.A. of the new term appointed the Audit Committee of ERBUD S.A. for the new joint three-year term, with the following composition:

- Michał Otto - Chairman (an independent Audit Committee member, has been sitting on Audit Committee since 28 April 2016)
- Gabriel Główka - an Audit Committee member (dependent Audit Committee member, has been sitting on the Audit Committee since 15 November 2006)

- Janusz Reiter - Audit Committee member (independent Audit Committee member, sitting on the Audit Committee since 18 May 2018)

The composition of the new Audit Committee ensures that the Issuer meets the requirements referred to in Article 129, paras. 1, 3 and 5 of the Act on Statutory Auditors.

The Remuneration Committee between 1 January 2021 and 31 December 2021 operated with the following composition:

- Udo Berner - Chairman (dependent Remuneration Committee member, has been sitting on the Remuneration Committee since 8 December 2009)
- Michał Otto - a Committee Member (an independent Remuneration Committee member, has been sitting on Remuneration Committee since 28 April 2016)
- Janusz Reiter - a Committee Member (an independent Remuneration Committee member, has been sitting on Remuneration Committee since 18 May 2018)

On 11 May 2021 the Supervisory Board of ERBUD S.A. of the new term appointed the Remuneration Committee for a new joint three-year term of office with the same composition as above.

9.5.2. Powers

The powers of the Supervisory Board include:

- to approve the strategic long-term plans of the Company,
- to approve annual schedules of works and expenditures of the Company and its Capital Group,
- to approve the investment plans of the Company and its Capital Group,
- to give consent to: acquisition, disposal and encumbering of real estate, perpetual usufruct, or share in real estate or perpetual usufruct,
- to give to consent to setting up and dissolution of manufacturing plants and branch offices.
- to give consent to the Company to extend guarantees, sureties and issuance of bills of exchange, acceptance of sureties, opening of a letter of credit each time when the value exceeds the equivalent of EUR 2,000,000.00 (in words: two million), except for: guarantees issued at the Company's request by financial institutions related to the regular course of business.
- to give consent to equity investments exceeding the equivalent of EUR 100.000,00 (in words: one hundred thousand) except for capital investments, Treasury bills and Treasury bonds issued in Poland or in the countries where the Company runs its business activities,
- to approve the acquisition, disposal, encumber shares or interest in other entities,
- to determine the voting procedure for the Company representatives sitting on the bodies of subsidiaries and affiliated entities with reference to the following matters: appointment and dismissal of the members of the bodies of subsidiaries and affiliated entities, dissolution or liquidation of such subsidiaries and entities, changes of the company profile, split or merger of subsidiaries or affiliated entities,
- to grant consent to take all measures not related to the Company profile and extraordinary measures with the value exceeding the equivalent of EUR 100,000.00 (in words: one hundred thousand),
- to give consent to enter into agreements with the shareholders holding at least 5% of the total number of votes at the Company's General Meeting and with the related entities in the understanding of International Accounting Standards pursuant to the Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards; The above obligation does not cover typical transactions and concluded following arm's length principle during operations run by the Company with the member companies belonging to the company capital group,
- to grant consent to the investments exceeding the equivalent of the value of EUR 100,000.00 (in words: one hundred thousand), unless such investments are included in the investment plan, approved by the Supervisory Board,
- to give consent to enter into hire, rent and licensing agreements with the effective term exceeding 48 months concluded outside regular course of business and not foreseen in the budget,
- to give consent to submit proposals and to enter into civil works contracts with the net value exceeding the equivalent of the amount of EUR 30.000.000,00 (in words: thirty million Euros), in case of joint proposals, the reliable measure is the net sum of the proposal rather than Company share in the proposal,

- to give consent to dispose of the right or to take an obligation by the Company, within a single or higher number of legal transactions with the same entity, with the value exceeding the equivalent of EUR 5,000,000.00 (in words: five million Euros) during the financial year.
- to grant permission to employ an employee with an annual remuneration exceeding the equivalent of 150,000.00 (in words: one hundred fifty thousand) Euro,
- to grant consent to the appointment of the members of Company's Management Board to the management or supervisory boards of non-member companies from of the Company's capital group and in cases specified in Art. 380 § 1 of the Commercial Companies' Code,
- Other matters reserved for the powers of the Supervisory Board by law, provisions of this Statute, forwarded upon the request of the Management Board or delegated by virtue of a resolution of the General Meeting.

The Audit Committee powers include:

- to monitor the financial reporting process.
- to monitor the effectiveness of internal control systems and risk management systems as well as internal audit, including financial reporting.
- to monitor the performance of auditing activities including in particular the conduct of an audit by the audit firm.
- to control and monitor the independence of the statutory auditor and the audit firm, in particular when other auditing services are provided to the Company by the auditor;
- to inform the Company's Supervisory Board about audit findings and to explain how the audit contributed to the reliability of financial reporting at the Company, and what was the role of the Audit Committee in the audit process;
- to assess the independence of the auditor and to give consent to the provision of permitted non-audit services to the Company;
- to develop a policy of audit firm appointment to carry out the audit of Financial Statement;
- to develop a policy by the audit firm to carry out the audit, by entities related to this audit firm and by a member of the auditing company's network of permitted non-audit services;
- To determine the procedure for the audit firm appointment by the Company.
- to make recommendations to the Supervisory Board regarding the appointment of statutory auditors or audit firms in adherence to the policies developed by the Audit Committee;
- to make recommendations aimed at securing the reliability of the financial reporting process at the Company.

The responsibilities of the Remuneration Committee include:

- to plan remuneration policy for the Management Board members,
- to adjust the remuneration of Management Board members to long-term interests of the Company.

9.6. Issuer's Management Board

The Management Board Members are appointed and dismissed by the Company's Supervisory Board. The Management Board Members have not been granted special rights, in particular the right to decide on the issue or redemption of shares.

In the period from 1 January to 31 March 2021 the Management Board of ERBUD S.A. was represented by:

- Dariusz Grzeszczak – President of the Management Board,
- Jacek Leczkowski – Vice-President of the Management Board
- Agnieszka Głowacka – Vice-President of the Management Board
- Radosław Górski – a Management Board member

On 11 May 2021 the Supervisory Board of ERBUD S.A. of the new term appointed the Management Board of ERBUD S.A. for another joint three-year term of office with the same composition as above.

As of this Report Date, i.e. 13 May 2021, the Management Board of ERBUD S.A. is composed of the following members:

Name and surname	Function	Term of office start date	Term of office end date
Dariusz Grzeszczak	President of the Management Board	11 May 2021	10 May 2024
Jacek Leczkowski	Vice-President of the Management Board	11 May 2021	10 May 2024
Agnieszka Głowacka	Vice-President of the Management Board	11 May 2021	11 May 2024
Radosław Górski	A Management Board member	11 May 2021	11 May 2024

Signatures of all Management Board members:

Dariusz Grzeszczak	Jacek Leczkowski	Agnieszka Głowacka	Radosław Górski
President of the Management Board	*Vice-President of the Management Board*	*Vice-President of the Management Board*	*A Management Board member*

Warsaw, 13 May 2021